

**REMARKS/ARGUMENTS**

Favorable reconsideration of this application as presently amended and in light of the following discussion is respectfully requested.

Claims 1-9, 15-23, 29-37, 43-53 are pending, Claims 1, 15, 17, 29, 31, and 45-53 having been presently amended.

In the outstanding Office Action, Claims 1-9, 15-23, 29-37 and 43 were rejected under 35 U.S.C. § 103(a) as being anticipated by Biorge et al (U.S. Pat. No. 5,806,045) in view of Stein et al (U.S. Pat. No. 5,459,306) and Hertz et al (U.S. Pat. No. 5,754,938). Claim 44 was rejected under 35 U.S.C. § 103(a) as being obvious over Stewart (U.S. Pat. No. 6,452,498) in view of Stein et al and Hertz et al. Claims 45-53 were rejected under 35 U.S.C. § 103(a) as being obvious over Biorge et al in view of Stewart and Hertz et al and further in view of Merriman et al (U.S. Pat. No. 5,949,061). In the Advisory Action, notations were given that the present “Hertz et al” reference is U.S. Pat. No. 5,754,938, to which this response is and the previously filed response was directed.

Independent Claims 1, 3, 15, 17, 29, 31, and 53 define that a targeted advertisement is selected and electronically delivered to a consumer, based on *a purchase behavior classification without providing to an advertiser any of the purchase history information of the consumer.*

The final Office Action acknowledges that Hertz et al teach means by which the consumer identity is released with their consent, *but states that this factor is irrelevant*, as the consumer can do anything they want with their own private information and because at least some consumers in Hertz et al want data related to their purchase history (purchasing patterns at line 38 and purchasing behavior at line 41) to be kept confidential.<sup>1</sup> On this basis, the Office Action asserts that it would be obvious to one of ordinary skill in the art, at the

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<sup>1</sup> Office Action, page 4, lines 26-32.

time of the invention, to make the selecting without providing to an advertiser the purchase history of the consumer.<sup>2</sup>

Yet, regardless of whether consumers can do anything they want with their own private information, the teachings in Hertz et al (U.S. Pat. No. 5,7534, 938) disclose two mechanisms for dealing with purchase history information:

(1) release with true identity in exchange for cash or other consideration<sup>3</sup> and

(2) encrypted release without a true identity when purchase history information is to be kept confidential.<sup>4</sup>

In the first mechanism, there would seem to be no dispute that Hertz et al teach away from the claimed invention in that the advertiser is provided with the consumer's purchase history information by the consumer's consent. In the second mechanism, the advertiser is still provided with the consumer's purchase history information, although the advertiser does not know the entity of the consumer due to the encryption techniques. As such, parts of the consumer's purchase history is provided to the advertiser in Hertz et al. Thus, in both cases, parts of the purchase history information (identified or anonymous) is provided to the advertiser. Hence, in either case, Hertz et al teach away from the claimed invention of selecting and electronically delivering the targeted advertisement based on a purchase behavior classification without providing to an advertiser any of the purchase history information of the consumer.

Thus, a combination rejection based on Hertz et al is improper and impermissibly based on hindsight reconstruction.

Indeed, the Court in In re Gurley (CA FC) 31 USPQ2d 1130 states that:

A reference may be said to teach away when a person of ordinary skill, upon reading the reference, would be discouraged from following the path set out in the reference, or would be led in a direction divergent from the

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<sup>2</sup> Office Action, page 4, lines 30-32.

<sup>3</sup> Hertz et al, column 5, lines 55-59.

<sup>4</sup> Id., column 5, lines 53-55.

path that was taken by the applicant. The degree of teaching away will of course depend on the particular facts; in general, a reference will teach away if it suggests that the line of development flowing from the reference's disclosure is unlikely to be productive of the result sought by the applicant. [emphasis added]

Furthermore, M.P.E.P. § 2142 requires to establish a prima facie case of obviousness that the teachings or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art, and not based on applicant's disclosure. The court in In re Mercier, 185 USPQ 774 (CCPA 1975) stated that

The board's approach amounts, in substance, to nothing more than a hindsight "reconstruction" of the claimed invention by relying on isolated teachings of the prior art without considering the over-all context within which those teachings are presented. Without the benefit of appellant's disclosure, a person having ordinary skill in the art would not know what portions of the disclosure of the reference to consider and what portions to disregard as irrelevant, or misleading. See In re Wesslau, 53 CCPA 746, 353 F.2d 238, 147 USPQ 391 (1965).

Hence, when considered as a whole, Hertz et al teach away from the claimed invention, and only by impermissible hindsight reconstruction based on Applicants' disclosure would the Office Action know which isolated teachings in Hertz et al to select and apply.

Furthermore, the combination rejection based on Stein et al is likewise improper for teaching away from the claimed invention. The outstanding Office Action acknowledges that the host system 13 in Stein et al informs the POS computer 11 of promotions (ads), which can be interpreted as sending ads to the POS computer 11.<sup>5</sup> Indeed, Stein et al disclose that:

The host system 13 communicates with the point-of-sale computer 11 on an infrequent, but regular, basis. It is advantageous for *the host system 13* to dial up the point-of-sale computer 11 once per day and *poll* the point-of-sale computer 11 *for* current information on inventory and *new information collected on customers*.

At the same time, *the host system 13* preferably *informs* the point-of-sale computer 11 of updates and changes to code and data, *promotions*, graphics, rules, products, and customers.

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<sup>5</sup> Office Action, page 5, lines 3-13.

The claims define selecting and electronically delivering the targeted advertisement to the consumer at the first computer in response to receiving the first identifier from the first computer, said selecting based on said purchase behavior classification without providing to an advertiser any of the purchase history information. In Stein et al, as emphasized above, the host system 13 is an advertiser (i.e., a source of promotions) that send new information to the point-of-sale computers based on collected customer information obtained by periodic polling. Thus, Stein et al, like Hertz et al, teach away from the claimed invention in that promotions are updated and changed according to received parts of the consumer purchase history information, while the present invention defines that a targeted advertisement is selected and electronically delivered to a consumer, based on a purchase behavior classification *without providing* to an advertiser *any of the purchase history information* of the consumer.

Hence, it is respectfully submitted that both Stein and Hertz et al, *when considered as a whole*, teach away from the present invention, and provide no motivation for one of ordinary skill in the art to make the combination asserted in the outstanding Office Action. Only by impermissible hindsight based on Applicants' disclosure would one know which isolated parts of Stein and Hertz et al to apply.

For these reasons, the present invention is not obvious in view of Biorge et al, Stein et al, and Hertz et al, when *both* secondary references teach away from the claimed invention.

Regarding Claim 44, Claim 44 was rejected under 35 U.S.C. § 103(a) as obvious over Stewart in view of Stein et al and Hertz et al. Applicants respectfully traverse this rejection for the same reasons as given above, i.e., that both Stein et al and Hertz et al teach away from the claimed invention.

Finally, Claims 45-53 including independent Claim 53 presently define that a cookie number is associated at a second computer with the purchase behavior classification in order

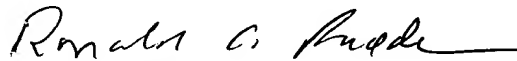
to deliver the targeted advertisement to the consumer without providing to the advertiser the consumer's purchase history.<sup>6</sup> An illustration example of this feature is shown in Applicants' Figure 4(a) that shows a cookie number associated with a purchase behavior classification (i.e., a Brand Z Loyalty, a Heavy Snacker, a Healthy Household, etc.) While Merriman et al describe a method for targeting the delivery of advertisements, the method described therein involves gathering of information about a user selection of an advertisement or delivery of an advertisement to a user, and does not relate to the user's purchase history information. Accordingly, cookie usage in Merriman et al only discloses cookies for association of a user with a user identification number.<sup>7</sup> Thus, the features of Claims 43-53 are not disclosed or taught in Merriman et al.

Given the above arguments, Applicants respectfully submit that independent Claims 1, 3, 15, 17, 29, 31, and 53 and the claims dependent therefrom, patentably define over the applied prior art.

Consequently, in view of the present amendment and in light of the above discussions, the application is believed to be in a condition for allowance. Therefore, an early and favorable action is respectfully requested.

Respectfully submitted,

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<sup>6</sup> See Figure 4(a) of the specification and the discussion in the specification thereof for support.

<sup>7</sup> Merriman et al, col. 5, lines 18-28.